

R&E

ROBERTS & ECKARD, PROFESSIONAL CORPORATION

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TELEPHONE (202) 296-0533 TELECOPIER (202) 296-0464

June 30, 1992

Ms. Donna R. Searcy
Federal Communications Commission
1919 M Street, N.W.--Room 222
Washington, D.C. 20554

Re: Station KLIK(FM)
Lubbock, Texas
File No. BRH-900330VV

Dear Ms. Searcy:

Bakcor Broadcasting, Inc., Debtor ("Bakcor") is the licensee of Station KLIK(FM), licensed to Lubbock, Texas. Bakcor has been under the protection of the United States Bankruptcy Court for the Western District of Texas Midland Division since May 15, 1989. On May 21, 1991, the case was converted from Chapter 11 to Chapter 7 and Dennis L. Elam was appointed to serve as Trustee subject to the supervision of the Bankruptcy Court.

The license renewal application for Station KLIK remains pending because an application filed by Southwest Educational Media Foundation of Texas, Inc. ("SEMFOT") (File No. BPED-900629MK) for authority to operate on the same frequency currently used by Station KLIK is also pending. In an effort to avoid the time and expense of a comparative hearing, Bakcor entered into an agreement with SEMFOT to settle the proceeding whereby Bakcor would dismiss its renewal application and SEMFOT's application would be granted.

The parties filed a Joint Request for Approval of Settlement Agreement on July 12, 1991, which was supplemented on October 3, 1991. An Opposition to the Joint Request for Approval of Settlement Agreement was filed by the Williams Broadcasting Group on September 6, 1991. That opposition was

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Ms. Donna R. Searcy
June 30, 1992
Page 2

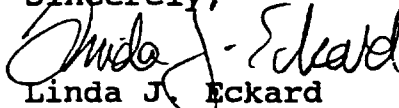
supplemented on October 25, 1991, in response to the supplement filed on October 3.

As of early March 1992, the Commission had not yet acted on the Joint Request for Approval of Settlement Agreement and Bakcor notified SEMFOT that it was terminating the agreement to settle the conflict between their applications. Bakcor also filed a motion with the Bankruptcy Court on April 3, 1992, seeking Court approval for termination of the agreement. That motion was granted and an Order approving Bakcor's termination of the agreement was issued. A copy of that Order is enclosed.

The purpose of this letter is to notify the Commission that Bakcor has terminated the settlement agreement with SEMFOT and to request that the Commission dismiss the Joint Request for Approval of Settlement Agreement and continue processing Bakcor's application for renewal of license for Station KKIK.

If there are any questions concerning this filing, please contact the undersigned counsel to Bakcor Broadcasting, Inc., Debtor.

Sincerely,


Linda J. Eckard

LJE:pd
Enclosure

cc: James Shook, Esq.-- w/encl.
James Oyster, Esq.-- w/encl.
John Midlen, Esq.--w/encl.

EXHIBIT F

FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND-ODESSA DIVISION

AUG 14 1992

U. S. DISTRICT COURT
CLERK'S OFFICEBy Deputy

IN RE:

BAKCOR BROADCASTING, INC.
BAKKE COMMUNICATIONS, INC.,

DEBTORS

§
§
§
§
§
§

CONSOLIDATED
CASE NO. 89-70218-RBK

CHAPTER 7

FINDINGS OF FACT AND CONCLUSIONS OF LAW

In connection with the Order of April 23, 1992, Approving Trustee's Termination of Letter Agreement with Southwest Educational Media Foundation of Texas, Inc. Dated September 13, 1991, and the Order Overruling Motion for New Trial by Southwest Educational Media Foundation, the Court makes the following Findings of Fact and Conclusions of Law pursuant to Fed. R. Bankr. P. 7052 & 9014 and Fed. R. Civ. P. 52(a), in addition to the findings of fact and conclusions of law stated orally and recorded in open court following the close of the evidence:

FINDINGS OF FACT

1. Bakcor Broadcasting, Inc. and Bakke Communications, Inc. (together the "Debtor") owned and operated seven radio stations in four West Texas cities, including KIKI(FM) and KORQ(AM) in Lubbock, Texas. Station KIKI(FM) is the subject of this dispute.

2. The Debtor filed its Chapter 11 Petition on April 15 and 16, 1989, respectively. The cases were consolidated and were thereafter converted to Chapter 7 on May 22, 1991. Dennis Elam (the "Trustee") was appointed the Chapter 7 Trustee.

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3. The Federal Communications Commission ("FCC") broadcasting license of KIKI(FM) came up for renewal (as did the licenses of all Texas radio stations) as of August 1, 1990. The Debtor filed an application for renewal thereof with the FCC. Southwest Educational Media Foundation of Texas, Inc. ("SEMF"), a non-profit broadcaster of religious programming, filed a competing application for a construction permit with the FCC on the same frequency as that used by KIKI(FM), necessitating comparative hearings before the FCC and preventing sale or transfer of KIKI(FM)'s broadcasting license to any third party until such hearings were held.

4. The Debtor, later succeeded by the Trustee, filed Adversary Proceeding No. 91-7017 in this Court for an injunction to prevent SEMF from going forward with its competing application before the FCC. After a hearing, this Court denied a preliminary injunction.

5. On September 13, 1991, the Trustee and SEMF entered into a Settlement Agreement for the Trustee to sell station KIKI(FM) to SEMF for \$75,000 in cash. The Settlement Agreement provided for the withdrawal by the Trustee of its application for renewal of the broadcasting license of KIKI(FM), thereby leaving SEMF's application for a construction permit unopposed, or alternatively, for an application for transfer of such license held by the Trustee to SEMF. A copy of the Settlement Agreement was filed with the FCC on October 3, 1991, as a supplement to the parties' previously filed Joint Request for Approval of Settlement Agreement.

6. The Settlement Agreement further provided for dismissal of all other litigation between the parties in bankruptcy court or elsewhere, including SEMF's FCC filing seeking to deny the Debtor's renewal applications for radio station KNFM(FM), Midland, Texas. Such filing was unrelated to any issue pertaining to KKIK(FM), Lubbock, Texas, or its proposed sale by the Trustee to SEMF. SEMF voluntarily withdrew such filing on January 3, 1992.

7. Station KKIK(FM) broadcast with the power of 100,000 watts. SEMF also owns and operates another but much smaller radio station in Lubbock, Texas, being KAMY(FM), with 200 watts, from which it broadcasts religious programming. The Settlement Agreement further provided for a rebroadcast of KAMY(FM) programming over KKIK(FM) until the sale contemplated by the Settlement Agreement was closed, with SEMF to retain all revenues from such rebroadcasting.

8. A critical condition to the closing of the sale contemplated by the Settlement Agreement was approval by the FCC. It was contemplated by the parties that FCC approval of the SEMF construction permit, or alternatively, of the transfer of the KKIK(FM) broadcasting license to SEMF, in accordance with the Settlement Agreement, would take approximately 60 days.

9. Williams Broadcasting Group ("Williams"), an unrelated third party which operates a radio station with a competing religious format in the Lubbock, Texas market, filed with the FCC an opposition to the Joint Request for Approval of Settlement Agreement between the Trustee and SEMF. This filing, which had the

effect of delaying FCC approval, was done by Williams on its own volition, and was not requested by the Trustee or any party connected with him.

10. By March 3, 1992, the Settlement Agreement had still not been approved by the FCC. The Trustee was advised by FCC counsel that because opposition to the Settlement Agreement had been filed, it might take as long as several years for the FCC to act on the Joint Settlement Request. On such date, the Trustee wrote to SEMF advising that if approval of the Settlement Agreement by the FCC had not been obtained by March 31, 1992, the Trustee would terminate the rebroadcasting arrangement described above.

11. On March 19, 1992, SEMF filed a motion in Adversary Proceeding No. 91-7017 seeking to enjoin the Trustee from terminating the rebroadcast arrangement described above. On March 31, 1992, this Court denied such motion, finding that the sale, as contemplated by the Settlement Agreement, had to be closed within a reasonable time as an implied or actual condition of such Settlement Agreement, and that this had not been done. The Court found that six months was more than a reasonable time to close such sale. On April 1, 1992, the Trustee terminated such rebroadcasting arrangement in accordance with the Court's Order.

12. On April 3, 1992, the Trustee wrote a letter to SEMF advising it that FCC approval of the Settlement Agreement must be obtained by April 21, 1992, and if not, the Trustee would terminate the Settlement Agreement.

13. On April 6, 1992, the Trustee filed the Motion for Approval of Termination of the Settlement Agreement. On April 23, 1992, the Court granted such Motion, again holding that the sale, as contemplated by the Settlement Agreement, had to be closed within a reasonable time as an implied or actual condition of such Settlement Agreement, and that this had not been done.

14. On May 4, 1992, SEMF filed a Motion for New Trial, alleging that the pleadings of the Trustee in Adversary Proceeding No. 91-7017 were erroneous and misleading to the Court. On July 2, 1992, the Court overruled such Motion, finding that the claimed erroneous pleadings did not influence or affect the Court's Order of April 23, 1992.

15. The Court finds that SEMF's obtaining of FCC approval of the Settlement Agreement and the transfer of KKIK(FM)'s broadcasting license contemplated by it within a reasonable time was a critical condition to closing the sale. SEMF has not and cannot comply with this condition. The Court, therefore, finds compelling equities to permit termination and setting aside of the Settlement Agreement and the sale contemplated by it.

CONCLUSIONS OF LAW

1. The Court has jurisdiction of this matter under 28 U.S.C. §§ 157 & 1334, and venue under 28 U.S.C. §§ 1408 & 1409. This is a core proceeding.

2. The Court has jurisdiction and authority to approve the sale of KKIK(FM) under 28 U.S.C. § 157(b)(2)(N) and 11 U.S.C. § 363.

3. The Court has jurisdiction and authority to disapprove the sale of radio station KKIK(FM), and approve the termination of the Settlement Agreement under 28 U.S.C. § 157(b)(2)(N), 11 U.S.C. § 363, Fed. R. Bankr. P. 9024, and Fed. R. Civ. P. 60(b).

4. The Court also has jurisdiction and authority to approve or disapprove the sale and the termination of the Settlement Agreement under 11 U.S.C. § 105.

5. A critical condition of the Settlement Agreement was the FCC approval of the same within a reasonable time. Such approval had not been obtained by April 22, 1992, which is more than seven months from the date of the Settlement Agreement.

6. A delay of more than seven months in obtaining FCC approval of the Settlement Agreement in order to close the sale is an unreasonable delay.

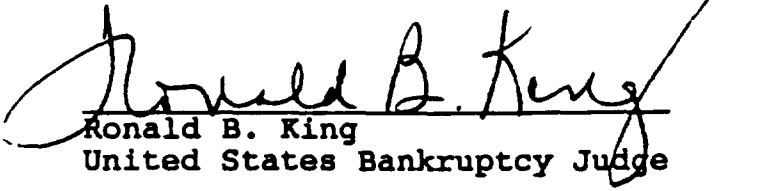
7. SEMF has failed to complete and close the sale of radio station KKIK(FM), contemplated to be done within a reasonable time, which was an implied or actual condition of the Settlement Agreement.

8. The failure to obtain FCC approval of the Settlement Agreement within a reasonable time was not the result of any act or failure to act of the Trustee. The Trustee has been at all times ready and willing to close the sale if the conditions to closing had been met.

9. Under the circumstances, the Trustee's termination of the Settlement Agreement was proper and is hereby approved by the Court.

10. Any Finding of Fact which should more appropriately be characterized as a Conclusion of Law shall be considered a Conclusion of Law herein. Similarly, any Conclusion of Law which should more appropriately be characterized as a Finding of Fact shall be considered a Finding of Fact herein.

Signed this 7 day of August, 1992.


Ronald B. King
United States Bankruptcy Judge

COPIES TO:

COUNSEL FOR DENNIS ELAM, TRUSTEE:

Mr. Neal R. Allen
Post Office Box 1540
Midland, Texas 79702

**COUNSEL FOR SOUTHWEST EDUCATIONAL
MEDIA FOUNDATION:**

Mr. George D. Gilles
Post Office Box 1551
Midland, Texas 79702

EXHIBIT G

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
MIDLAND/ODESSA DIVISION

IN RE:

BAKKE COMMUNICATIONS, INC
BAKCOR BROADCASTING, INC.,

Debtor

DENNIS ELAM,
CHAPTER 7 TRUSTEE FOR
BAKKE COMMUNICATIONS, INC
BAKCOR BROADCASTING, INC.,

Plaintiff

vs.

CHARLES KEITH ADAMS d/b/a
ABILENE COMMUNITY RADIO AND
WESTWIND TWO and SOUTHWEST
EDUCATIONAL MEDIA FOUNDATION
OF TEXAS, INC.,

Defendant

Case No. 89-70218

Adversary Proceeding No.

91-7017

FILED

MAR 19 1992

U. S. DISTRICT COURT
CLERK'S OFFICE
BY *[Signature]* DEPUTY

MOTION SEEKING TO ENJOIN ACTIONS OF THE TRUSTEE

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW SOUTHWEST EDUCATIONAL MEDIA FOUNDATION OF TEXAS, INC., Movant herein, and files its motion against DENNIS ELAM in his capacity as the Chapter 7 Trustee in this bankruptcy proceeding and in support thereof would respectfully show the Court as follows:

1. This Court has exclusive jurisdiction of this proceeding pursuant to 11 U.S.C. 157(b)(1).

2. This is a "core proceeding" within the meaning of 28 U.S.C. 157(b), pursuant to Rule 7008(a).

3. The Movant is a corporation organized and existing under the laws of the State of Texas.

4. Dennis Elam is the Chapter 7 Trustee.

5. On May 22, 1991, this case was converted from Chapter 11 to Chapter 7 and the Trustee herein was appointed on the same date.

6. On September 16, 1991, Movant and the Trustee entered into an agreement (the "Agreement") for the purchase by Movant from the Trustee and the bankruptcy estate certain personal property consisting of all of the physical operating assets of KKIK, an FM radio station located and operating in Lubbock, Lubbock County, Texas. Such agreement was approved by this court on October 9, 1991.

7. As part of the agreement, Movant was to withdraw its request for a construction permit which, if approved by the Federal Communications Commission ("FCC") would cause a denial of the license renewal application on file with the FCC by the Trustee, pertaining to the radio station KNFM, an FM radio station located in Midland, Midland County, Texas, which also belongs to the bankruptcy estate. Movant withdrew its application for a construction permit and the order of the FCC became final and nonappealable.

8. In addition, the Agreement provided for the Trustee to assign the license renewal application for KKIK-FM on file with the FCC to the Movant. The Trustee has made application for such assignment.

9. Upon information and belief, a third party has filed an objection with the FCC to the assignment by the Trustee of the license to Movant.

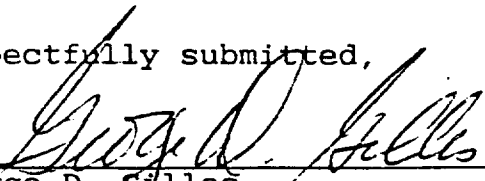
10. Pursuant to the terms of the agreement, Movant was to be allowed to rebroadcast its radio signal from KAMY-FM, a radio station in Lubbock, Texas, over the signal of KKIK-FM, during the pendency of the determination of the various requests before the FCC.

11. On or about March 3, 1991, the Trustee caused a letter to be written and delivered to Movant indicating the Trustee would no longer allow the rebroadcast of the radio signal from KAMY-FM, a radio station belonging to Movant, over the signal of KKIK-FM, effective March 31, 1992.

12. Unless the Trustee is preliminarily enjoined from ceasing the rebroadcast of the signal from KAMY-FM over the signal of KKIK-FM, Movant will suffer irreparable injury, loss, damage and harm as a result of the Trustee's actions.

WHEREFORE, premises considered, Movant prays, pursuant to Rule 65 of the Federal Rules of Civil Procedure and Rule 7065 of the Bankruptcy Rules, for a preliminary and permanent injunction against the Trustee, his agents, attorneys, representatives, employees, and successors from stopping the rebroadcast of the signal from KAMY-FM over the signal of KKIK-FM or otherwise interfering with the operations of Movant, pending a final determination by the FCC of the various applications involving KKIK-FM.

Respectfully submitted,


George D. Gilles
310 W. Texas, Suite 701
Midland, Texas 79701
(915) 682-3931
(915) 682-3993 fax
SBN 07925300

ATTORNEY FOR PLAINTIFF

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing instrument was mailed to by first class mail, postage prepaid, this the 17th day of March, 1992, to the parties set forth in the attached service list

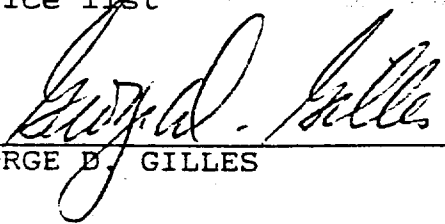

GEORGE D. GILLES

EXHIBIT H

UNITED STATES BANKRUPTCY COURT
Western District of Texas
Midland-Odessa Division

IN RE:	*	
	*	
BAKCOR BROADCASTING, INC.	*	CASE NO. 89-70218-RBK
and BAKKE COMMUNICATIONS, INC.	*	
	*	
Debtors	*	CONSOLIDATED CHAPTER 7

OBJECTION BY SOUTHWEST EDUCATIONAL MEDIA FOUNDATION
OF TEXAS, INC., TO MOTION BY TRUSTEE FOR
APPROVAL OF SALE OF RADIO STATIONS
KKIK(FM) AND KXTQ(AM), LUBBOCK, TEXAS,
TO DON R. WORKMAN

TO THE HONORABLE JUDGE OF SAID COURT:

Comes Now SOUTHWEST EDUCATIONAL MEDIA FOUNDATION OF TEXAS, INC. ("SEMF"), and files its Objection to Motion by Trustee for Approval of Sale of Radio Stations KKIK(FM) and KXTQ(AM), Lubbock, Texas, to Don R. Workman and in support thereof, Movant would show the Court as follows:

1. On May 22, 1991, the individual bankruptcy cases of the above-referenced Debtors were converted to Chapter 7. The cases were thereafter substantively consolidated on July 23, 1991. Dennis Elam ("Trustee") was appointed the Chapter 7 Trustee of both estates.

2. On September 13, 1991, the Trustee and SEMF agreed to enter into a contractual arrangement regarding the acquisition of KKIK(FM) and KXTQ(FM) in Lubbock, Texas.

3. On September 16, 1991, the Trustee and SEMF formalized their agreement regarding the acquisition by SEMF of KKIK(FM) in Lubbock, Texas, and the dismissal of SEMF's competing license application against KNFM(FM) in Midland, Texas. Such contract was approved by the Court on October 9, 1991.

4. On April 22, 1992, the Court entered its Order authorizing the Trustee to terminate its contract with SEMF. SEMF currently has pending a Motion for New Trial before this Court regarding such contract for the purchase of the station.

5. Trustee's Motion for Approval of Sale does not set forth the terms of the contract proposed to be entered into with Don R. Workman, except for a purchase price.

6. Trustee's Motion for Approval of Sale does not set forth any length of time before closing must occur. The Trustee and the Court set a time limit of five (5) months for SEMF to comply with all the requirements for closing on its contract with the Trustee. SEMF would request the Court to apply the same standard to all offers, and set a maximum length of five (5) months for Mr. Workman, or any other proposed Buyer, to obtain closing.

7. SEMF has a competing license application before the Federal Communications Commission ("FCC") regarding KKIK(FM), one of the radio stations which the Trustee proposes to sell to Don R. Workman.

8. No hearing designation date has been set by the FCC regarding such competing license application, and a hearing could take as long as two years to obtain.

9. Movant currently has a Motion for New Trial pending before this Court regarding its contract for the purchase of KKIK(FM). If the Court grants Movant's Motion for New Trial, and Movant is successful in a second trial, KKIK(FM) will not be available for sale to Mr. Workman.

10. Should the Court deny Movant's Motion for New Trial, Movant still has the option to appeal the Court's decision in this case, and if SEMF is successful on appeal, KKIK(FM) will not be available for sale to Mr. Workman.

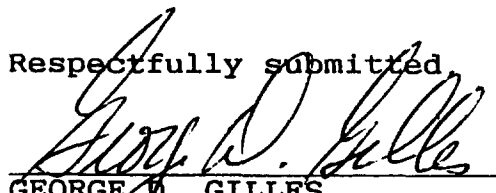
11. The time involved and the cost of the litigation needed to obtain the license from the FCC is not considered in the proposed motion to sell. Since no form of contract is before the Court for consideration, it is unknown whether the Trustee and the Estates or the Purchaser will fund the cost of such litigation.

13. If the Court approves the sale of the stations to Mr. Workman, there exists a necessity for the Court to rule on which party will be responsible for handling the licensing litigation before the FCC.

14. SEMF requests that the Court deny Trustee's motion to sell to Don R. Workman for the reasons stated herein.

WHEREFORE, SEMF, requests that this Court deny Trustee's Motion for Approval of Sale of Radio Stations to Don R. Workman, and for such other relief, at law or in equity, to which it may show itself justly entitled.

Respectfully submitted,



GEORGE D. GILLES
Attorney at Law
310 W. Texas, Suite 701
Midland, Texas 79701
(915) 682-3931
State Bar No. 07925300
Fax No. (915) 682-3993

CERTIFICATE OF SERVICE

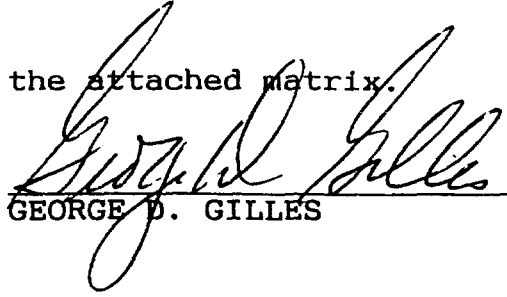
This is to certify that on the 22nd day of June, 1992, a true and correct copy of the above and foregoing document was sent to the following:

Mr. Neal Allen
Stubbeman McRae Sealy Laughlin & Browder, Inc.
P.O. Box 1540
Midland, Texas 79702

Dennis Elam, Trustee
4526 E. University, Suite 5F
Odessa, TX 79762

U.S. Trustee
P.O. Box 1539
San Antonio, Texas 78295-1539

And to the entities listed on the attached matrix.



GEORGE D. GILLES

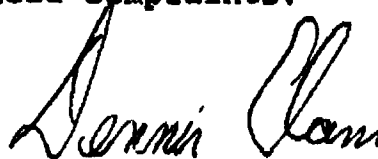
EXHIBIT I

DECLARATION

I, Dennis Elam, Trustee for Bakcor Broadcasting, Inc., hereby declare under penalty of perjury as follows:

1. I am aware that complaints have been filed with the U.S. Trustee's Office alleging that I have engaged in sexual harassment and racial discrimination. I deny that I have acted in a manner that would constitute harassment or discrimination.

2. I have cooperated with the U.S. Trustee's Office in the investigation of these complaints. I spoke with Audra Bradshaw of the U.S. Trustee's office on or about December 2, 1992, and was informed by her that the U.S. Trustee's Office had reviewed the information concerning the complaints and would not be taking any action against me as a result of those complaints.



Dennis Elam

12 10 92

Date

CERTIFICATE OF SERVICE

Patricia A. Druliner hereby certifies that she has sent a copy of the foregoing OPPOSITION TO MOTION TO ENLARGE ISSUES by first class U.S. mail, postage prepaid, or by hand delivery, on this 10th day of December, 1992, to the following:

*Honorable Walter C. Miller
Administrative Law Judge
Federal Communications Commission
2000 L Street, Second Floor
Stop Code 0900
Washington, D.C. 20554

*Paulette Laden, Esq.
Hearing Branch, Enforcement Division
Mass Media Bureau
Federal Communications Commission
2025 M Street, N.W., Room 7212
Washington, D.C. 20554

James L. Oyster
Rt. 1, Box 203A
Castleton, VA 22716


Patricia A. Druliner

*By Hand Delivery